



February 22, 2008

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## ENGROSSED SENATE BILL No. 107

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DIGEST OF SB 107 (Updated February 20, 2008 11:02 am - DI 14)

**Citations Affected:** IC 7.1-3.

**Synopsis:** Wine sales. Increases the limit on annual wine sales in Indiana from five hundred thousand (500,000) to one million (1,000,000) gallons for farm winery and direct wine seller permit holders. Provides that the alcohol and tobacco commission (commission) may issue a direct wine seller's permit to an applicant who: (1) has not distributed wine through a wine wholesaler within 120 days immediately preceding the applicant's application and does not distribute wine through a wine wholesaler during the term of the permit; or (2) has operated as a farm winery. (Current law provides that the commission may issue a permit to an applicant who has not distributed through a wine wholesaler within 120 days immediately preceding the applicant's initial application or has operated as a farm winery.)

**Effective:** July 1, 2008.

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**Riegsecker, Steele, Becker, Simpson,  
Young R**

(HOUSE SPONSORS — VAN HAAFTEN, WELCH, KOCH)

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January 8, 2008, read first time and referred to Committee on Rules and Legislative Procedure.

January 8, 2008, amended; reassigned to Committee on Commerce, Public Policy and Interstate Cooperation.

January 24, 2008, amended, reported favorably — Do Pass.

January 28, 2008, read second time, ordered engrossed. Engrossed.

January 29, 2008, read third time, passed. Yeas 47, nays 1.

HOUSE ACTION

January 30, 2008, read first time and referred to Committee on Public Policy.

February 21, 2008, reported — Do Pass.

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ES 107—LS 6095/DI 13+



February 22, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 107

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 7.1-3-12-4, AS AMENDED BY P.L.165-2006,  
2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2008]: Sec. 4. In order to be considered a "farm winery"  
4 within the meaning of this title and to be eligible to receive a farm  
5 winery permit, a wine-making establishment shall not annually sell  
6 more than ~~five hundred thousand (500,000)~~ **one million (1,000,000)**  
7 gallons of wine in Indiana, excluding wine shipped to an out-of-state  
8 address.

9 SECTION 2. IC 7.1-3-26-7, AS ADDED BY P.L.165-2006,  
10 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2008]: Sec. 7. (a) The commission may issue a direct wine  
12 seller's permit to an applicant who meets all of the following  
13 requirements:

- 14 (1) The applicant is domiciled and has its principal place of  
15 business in the United States.
- 16 (2) The applicant is engaged in the manufacture of wine.
- 17 (3) The applicant holds and acts within the scope of authority of

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an alcoholic beverage license or permit to manufacture wine that is required:

(A) in Indiana or the state where the applicant is domiciled; and

(B) by the Tax and Trade Bureau of the United States Department of the Treasury.

(4) The applicant qualifies with the secretary of state to do business in Indiana and consents to the personal jurisdiction of the commission and the courts of Indiana.

(5) The applicant files a surety bond with the commission in accordance with IC 7.1-3-1, or deposits cash in an escrow account with the commission, in the amount required of an applicant for a vintner's permit under IC 7.1-3-1-7.

(6) The applicant:

(A) does not hold a permit or license to wholesale alcoholic beverages issued by any authority; and

(B) is not owned in whole or in part or controlled by a person who holds a permit or license to wholesale alcoholic beverages.

(7) The applicant sells not more than ~~five hundred thousand~~ ~~(500,000)~~ **one million (1,000,000)** gallons of wine per year in Indiana, excluding wine shipped to an out-of-state address.

(8) The applicant:

**(A) has not distributed wine through a wine wholesaler in Indiana within the one hundred twenty (120) days immediately preceding the applicant's initial application for a direct wine seller's permit or the applicant and does not distribute wine through a wine wholesaler in Indiana during the term of the direct wine seller's permit; or**

**(B) has operated as a farm winery under IC 7.1-3-12.**

(9) The applicant is not the parent, subsidiary, or affiliate of another entity manufacturing any alcoholic beverage.

(10) The applicant completes documentation regarding the applicant's application required by the commission.

(b) The commission may issue a direct wine seller's permit to an applicant who:

(1) meets the requirements under subsection (a); and

(2) holds a permit issued under this title that allows the sale of an alcoholic beverage at retail.

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SENATE MOTION

Madam President: I move that Senator Long be removed as author of Senate Bill 107 and that Senator Riegsecker be substituted therefor.

LONG

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 107, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning Alcohol and Tobacco.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Commerce, Public Policy and Interstate Cooperation.

(Reference is to SB 107 as introduced.)

LONG, Chairperson

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SENATE MOTION

Madam President: I move that Senator Steele be added as second author of Senate Bill 107.

RIEGSECKER

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SENATE MOTION

Madam President: I move that Senator Becker be added as third author and Senator Simpson be added as coauthor of Senate Bill 107.

RIEGSECKER

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## COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill No. 107, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 23, after "applicant" insert ":

(A)".

Page 2, line 25, strike "initial".

Page 2, line 26, strike "or the applicant" and insert "**and does not distribute wine through a wine wholesaler in Indiana during the term of the direct wine seller's permit; or**

(B)".

Page 2, delete lines 37 through 41.

and when so amended that said bill do pass.

(Reference is to SB 107 as printed January 9, 2008.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 8, Nays 0.

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 SENATE MOTION

Madam President: I move that Senator Young R be added as coauthor of Engrossed Senate Bill 107.

RIEGSECKER

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 COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 107, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

VAN HAAFTEN, Chair

Committee Vote: yeas 9, nays 1.

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